

**LMI ADVISORY GROUP**  
**Wednesday, October 9, 2002**  
**Labor Market Information Division**  
**7000 Franklin Blvd., Suite 1100**

**Meeting Minutes**

**PLEASE SEND ANY CORRECTIONS TO  
BONNIE GRAYBILL BY JANUARY 9, 2003, THANKS.**

**Attendees:**

Dan Blake – CSU Northridge  
Cochran, Chris – Technology, Trade and Commerce Agency  
Cooper, Peter – California Labor Federation  
Cubit, Ron – Department of Labor, Employment and Training Administration  
Doug Gray – General Business Services/California Employer Advisory Committee  
Kirschenmann, Sandy – Los Rios Community College  
Leveille, David – California Post Secondary Education Commission  
Greg Marutani – Private Industry Council, San Francisco  
Palada, Cecilia – State Department of Finance  
Dennis Reid – Department of Labor, Bureau of Labor Statistics  
Stacy Wilson – California Post Secondary Education Commission  
Warren Jensen – Center for Economic Development, CSU Chico

LMID Staff, Richard Holden, Bonnie Graybill, Tim Taormina, John Milat,  
Facilitator: Bonnie Graybill

**Welcome and introductions.**

Bonnie Graybill welcomed the group. She commented that the agenda for the meeting this quarter is diverse and interesting, and includes website reviews, the economic state of the State and the unveiling of the new Occupational Guide format.

Ms. Graybill introduced LMID's Chief, Richard Holden. He noted that the advisory group is seven years old; it held its first meeting in 1995. The group provides excellent feedback and new perspectives. It is good to hear from a diverse group that uses our data.

Ms. Graybill added that new partnerships have resulted from the advisory meetings. They have raised questions about LMI that have led to speakers and new initiatives.

Peter Cooper of the California Labor Federation mentioned that the Institute of Labor and Employment, a body created in 2000 by the California Legislature, recently released its 2002 report called "The State of California Labor" on the Institute's website, [www.ucop.edu/ile](http://www.ucop.edu/ile).

The current report contains the results of a statewide [sample survey](#) of employment practices and worker attitudes concerning a number of topics, as well as a census of union membership.

**Review of the Minutes:** The minutes were accepted with no corrections.

## **State of the State's Labor Market**

**Presenter: Tamara Garcia**

Tamara offered an overview of the State labor market trends in the last year, along with what the labor force characteristics will be in this year, as part of describing the *State of the State's Labor Market* report which is currently in final preparation.

California's economy has seemingly reached a turning point. The factors that affect outlook are contained in chapter two of the 2002 report. These include international trade, elections, consumer spending, housing, and high-tech trade. Chapter three includes LMID key topics and the after effects of the terrorist attacks of September 11, 2001. This information is bolstered by additional census data including population.

Chapter four of the report contains data on employment by industry. The top industries are examined, how they correlate to employment, and how and what industries have changed. The last chapter contains regional information and conditions, as well as what is happening in industries in those regions. The report focuses on the state's larger areas.

The latest report contains a new chapter - occupational employment. It offers employment detail by occupations (SOC code), using the Current Population Survey as the source. This is the first time this type of analysis had been done by LMID.

The last chapter concerns industries in the large regional areas of California. Ms. Garcia noted that the report is in final review process. It will be published soon, though there is no firm date for release.

Questions and Comments: Is this an annual report? And how is it distributed? Is it on-line? Who is currently on the mailing list, and can we be added to the mailing list?

Ms. Garcia replied that she hopes it becomes an annual report, ideally releasing the reports in June of each year. This is the third edition of the report—the first released in June 1999, the second in June 2001. There is a mailing list (the LMI Advisory Group members are on the list), and the 2001 report is on the LMID website. When the 2002 report is released, it will be mailed out and placed on the website. Currently, legislators receive the report, as do the Workforce Investment Boards, State Department Directors, and other policy makers.

Question and Comments: Two areas not mentioned in Ms. Garcia's presentation-the impact of interest rates and investment markets on the State's labor market-are they in the report?

Ms. Garcia replied that the impact of declining interest rates were not directly mentioned in the report, but the report did address one subject that is very sensitive to interest rate changes, and that is consumer spending. The status of California's high tech industry was analyzed, which is also sensitive to interest rates as well as investor sentiment.

Questions and Comments: What is audience for this report-legislators? Local Workforce Investment Boards? If so, then the timing isn't the best. They begin planning for their new fiscal year much earlier in the calendar year. Bonnie noted that this report addresses policy issues more than detailed planning data, which LMID does release in January of each year (Planning Information Packets).

The Advisory Group suggested that LMID should ask for feedback from users. This would help make the report more useful. Bonnie Graybill replied that LMID does currently ask for feedback from our readers for most of its publications. LMID keeps the reviews, tabulates the feedback so that we can know how we are doing, and makes use of the comments in the next iteration of the product.

Could customer comments regarding this report be reported to LMI Advisory group?

Bonnie Graybill stated that yes, it would be a good idea to report the results of customer feedback to the Advisory Group. The group would have a good handle on how LMID's customers view its products.

## **LMID Research**

***Presenters: Richard Kihlthau and John Milat***

Richard Kihlthau and John Milat presented an update on LMID's applied research. They presented information on the Caregiver Training Initiative, the Nurse Workforce Initiative, the California Commission on Teacher Credentialing, and LMID's Wage Mobility study. Richard Holden presented information a study of job creation and destruction.

The current administration has started to address health care staffing problems. One effort has been the Caregivers Training Initiative (CTI)-to recruit and train health care workers such as certified nursing assistants and home health aides. The State has allocated \$25 million to 12 regional collaboratives.

CTI is starting to wrap up. Evaluators (a team of researchers from University of California at San Francisco (UCSF) and University of California at Los Angeles (UCLA) will find out how the 12 regional collaborative worked out. An early version of the labor market report is on the LMID website at <http://www.calmis.ca.gov/FILE/OCCMISC/Nursing/LMINWI.htm> . The final labor market report is complete and going through clearance.

The Applied Research Unit is monitoring the evaluation of the collaboratives' training sites. UCSF and UCLA have produced an interim report and completed evaluations of early experiences of the collaboratives. They have sought feedback from clients and other interested parties and included these thoughts and ideas into the report. The final report on the process and outcomes is due in one year.

***Questions and Comments:*** "Stickiness" (related to job turnover) of certified nursing assistants (CNA), is this in report? There is a 90% turnover in the CNA occupation. Is there evidence in the report that says a lack of career ladders is responsible for high turnover?

Is it known when and where turnover and lack of mobility in CNA ranks would show up later? Would it be after a year, or two, or three? Some institutions have different turnover rates, which may be due to different reasons.

John Milat answered that there are probably different turnover rates; large organizations would probably have lower turnover because they have better pay and benefits. They also have better career ladder opportunities.

Ms. Graybill said that LMID is close to completing an analysis of skills, knowledge and abilities (SKA) similarities and gaps for selected health care occupations, using O\*Net as the source, comparing various occupations in this field. They are investigating the differences between the values and interests of Home Health Aides, Medical Assistants, Nurse Assistants, Licensed Vocational Nurses and Registered Nurses.

Mr. Milat said that the CTI labor market study did not cover all aspects of the labor market for CNAs, although high turnover was, as well as where workers went when they left.

Ms. Graybill pointed out that some work has been done to assist CNAs in their career progression. For instance a career ladder project being conducted jointly by Kaiser and SEIU Local 250 offers assessment, mentoring and support services to program participants. This approach seems to have resulted in a successful program.

**Questions and Comments:** Is it possible to convey to Phil Hardiman, Applied Research Unit manager, the questions and concerns of the LMI Advisory Group regarding these health care evaluations and policies? Are wages indication of supply and demand, and an indication of how hard the person works? If qualifications are low and supply high, one assumes that wages will remain low. Demand and the ability to pay are a function of the employer and labor market, and determines how much employers can charge for services. Turnover is related to wages. The closer to minimum wage, the higher the turnover.

Mr. Milat related to the group that the next initiative to be addressed is the Nurse Workforce Initiative (NWI), which addresses the nurse shortage in California, using Workforce Investment Act money and other sources. They are looking to train 2,400 licensed nurses. There is money for upgrade training and also for research and evaluation of the project.

John Milat indicated that 13 grants had been awarded already for the NWI, and additional grants will be offered in the future, in addition to other aspects of the project to come.

Because of the tremendous interest in this industry, and these two initiatives, Bonnie Graybill suggested that a panel discussion could be held in conjunction with the next Advisory Group meeting. The group supported this idea, and Bonnie said she would try to pull this together for next meeting. Key to this panel discussion is Paul Ong's availability. As well as being an Advisory Group member, Paul is the principal author of the CTI labor market study which John Milat discussed. Another important participant is David Illig, of the Health and Human Services Agency, which has policy oversight on the CTI and NWI.

Richard Holden spoke about another study LMID has recently completed, on job creation and destruction. Normally we look at change in the number of jobs. When jobs are created by business, employment rises; when businesses close or contract, then the number of jobs goes down. This doesn't indicate what goes on under the surface. Job creation/destruction measures employment dynamics and volatility.

He said, for instance, that typically, jobs drop in the first calendar quarter due to holiday layoffs. Agriculture is also seasonal. Construction is cyclical, but to a lesser extent. Other industries also showed some effect. Employees may move from one industry and job to another. This tends to even out seasonality factors.

**Questions and Comments:** Can you factor out seasonality? Are actual numbers available? By State? County? Would be interested in seeing those stats for a particular county.

Mr. Holden replied that this study addressed the overall labor force, but not seasonal patterns. Richard Kihlthau added that this may be possible in the future if there is a demand for this. It was suggested that, yes, this data would be in demand. For example, in Glenn County, the unemployment rate is relatively high compared to more urban counties, yet a fast food restaurant such as Burger King can't find workers.

Richard Kihlthau spoke about joint LMID research with the Commission on Teacher Credentialing (CTP). LMID matched credentialing records from the CTP with unemployment insurance records, to determine the employment status, industry and wages of these credentialed teachers. He said that although the data analysis was somewhat preliminary; findings were consistent with federal survey reports. During the 95-96 years, 13,000 people were hired as teachers. By the next year, 94% still employed as teachers in California, compared with 89% nationally. Four years later, 84% were still employed in California compared to 67% nationally. There was interest in looking at data at the county level. It would also be interesting to find out where teachers go after credentialing program; if they leave teaching, where do they go?

**Questions and Comments:** How current is this report? Do coms may have let go former teachers? Do they return to teaching? When will report come out?

Richard Kihlthau answered that the data in the report are about six months old, and the report itself was just recently completed and shared with the CTP.

The Applied Research Unit also recently did a study on low-wage earners, using data from the longitudinal employer household dynamics database (LEHD), which LMID constructed jointly with the Census Bureau, matching base wage file and census data. The study arrays workers by wage levels within industries. The study finds that workers tend to get better paying jobs by changing jobs and changing industries. Employment with a temporary agency also tended to lead to future wage increases. While it is known that temp agencies tend to pay poorly, Mr. Kihlthau noted it provides a path to a better paying job, and a bridge to a new employer/industry. The study is available on LMID's website, at <http://www.calmis.ca.gov/specialreports/Wage-Mobility-2002.pdf>

## **Labor Agency Change – Legislative Report**

**Presenter: Bonnie Graybill**

Ms. Graybill shared a summary of recent legislation prepared by Velessata Kelley of the Legislative Liaison Office. One of the bills created a California Labor Agency; EDD is part of this agency. The Agency also includes the Department of Industrial Relations, the Agricultural Labor Relations Board, the Employment Training Panel and the California Workforce Investment Board

**Questions and Comments:** Will this lead to better data sharing among these departments?

Ms. Graybill indicated that yes; there are positive efforts along this line.

## **Special Report on California Post Secondary Education Commission (CPEC)**

***Presenter: David Leveille, Deputy Director of CPEC***

Mr. Leveille spoke on the status of the California Post Secondary Education Commission (CPEC). They have had a 50% reduction in funding — and lost some key players; analysts, managers, and other staff. They are involved in education policy, planning and analysis. One question that has arisen is how to accommodate the large numbers of students who want to go to college. About 70% of these go to Community colleges, the rest to California State Universities, University of California, and private colleges.

Another major change that has occurred in the past few years is the lengthening of the planning and building process as it relates to post-secondary colleges and universities. It took four years to open a new college in the 1960s, now it takes seven years or more; in some cases 20-30 years, i.e. state university in Ventura. UC Merced took 12 years.

One option that is gaining in acceptance is dual-use institutions. The projections of demand for post secondary instruction shows there is a need to increase the number of slots for qualified students. However, it is costly to open a university or college; joint use may offer less expensive options. CPEC needs to work more closely with departments such as EDD in an effort to share information and leverage resources.

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## **Economic Update/Industry Projections**

***Presenters: Janet Austin, Carl Hedlind***

Janet Austin led her discussion with a reminder that the week of October 9 is the week LMID releases unemployment rates and labor force data.

Ms. Austin relayed that LMID now has three more months of economic data since Paul Wesson's last report to the Advisory Group. She displayed a graph that showed nonfarm payroll jobs in California over the past several years. Looking over the past two years, it appears that January 2001 was the peak in nonfarm employment. Employment dropped between January and June 2001, then rose in August, then declined again until November 2001. Since then, the nonfarm job picture has been one of relative stability; i.e. the jobs picture has been fairly flat. Still, jobs in September 2002 are above August 2000.

The 2001-02 recession is about average length, and fairly shallow. So far, it is much shorter than the 1990-93 recession.

Carl Hedlind spoke on industry employment trends projected through 2010. Services growth is far out-pacing other industries. In 2000 total services employment accounted for about 32% of the total employment in California, making it the largest component. The relative share of most industries remained about the same, but manufacturing employment is declining, and services employment is growing.

Computer and data processing services, eating and drinking places, and elementary and secondary schools lead the list of industries adding the most jobs. Computer and data

processing services, home health care services, and lumber and other building materials lead the list of fastest growing (by percentage) industries.

Occupations adding the greatest number of jobs include, in descending order, retail salespersons, combined food preparation and serving workers (includes fast food workers), and computer software engineers (applications). Occupations that are growing the fastest in percentage terms are computer software engineers, computer support specialists, and network and computer systems administrators.

**Questions and Comments:** It is interesting to contrast the changes in percentage rather than numerical growth. The contrast between various industries with the services sector is substantial and vividly reflects the changing industry mix in California. The group discussed trends in health care, high tech industries, and the overall industry mix.

Growth by education is one way of looking at the employment characteristics; most growth seems to have occurred in those jobs that require short-term on-the-job training.

This prompted the question that potential employees may very well ask – what value is education when one sees most job increase requires only on-the-job training? Ms. Graybill pointed out that, although there are a large number of low skill jobs, there are job opportunities at all levels. The argument for completing educational milestones is compelling when one compares the wages earned by various educational achievement levels.

### **Occupational Guides Update**

**Presenter:** *Janet Peters*

Janet Peters introduced the reformatted Occupational Guide layout to the group, and distributed samples of the new look. She said that the first packet of 30 updated Guides in the new format has been published.

She pointed out that the subject areas have remained fairly consistent with the previous format, but that more information has been added. The new-look guides will be available on the LMID website in both an HTML and a PDF format, as well as in print.

Janet briefly mentioned some of the guide history, starting with the fact that the guides were first published in 1956, and have expanded to 273 guides. The Guides unit is on track to publish a second packet of 30 updated guides in November, with a third packet, also containing 30 revised guides, will follow in early 2003. The introduction section to the Guides series has also been revised, as have the alphabetical and numerical indexes.

Bonnie Graybill pointed out that with the alternate names and job subcategories included, about 1,000 occupations are covered in the Guide series.

### **Workforce Informer**

**Presenter,** *Steve Taylor*

Mr. Taylor demonstrated the Washington State version of the Workforce Informer website that about 10 states will introduce in the near future. California will be one of those states. Twenty two states are members of the consortium which developed the application, and all

will eventually bring up their own version of the website. The basic functionality of the website will be consistent between the states, but the site will be customizable to allow a different look and feel to each state's sites. California must abide by the portal standards adopted for all State government sites.

Steve demonstrated Washington's 'Workforce Explorer' (<http://www.workforcexplorer.com/>), which lists labor market information, business articles, career information, and links to other relevant sites. California's site will include similar items and users can navigate quickly and easily to get just the information they need. One really nice capability is that the user can design a customized portal page so that the data they want will be readily available when they first log in. The data is updated continuously, so that the user will always have the latest data available. News articles related to the customers' interests will appear on their personal page whenever they log into the site.

The California site will link to America's Job Bank (AJB) to provide job listings and could link to other employment sites as well.

**Questions and Comments:** How often is the website updated? And how will users know the site is updated? Perhaps there could be a place on the website to indicate when each data table was last updated. Also, what does this site do for employers?

Mr. Taylor indicated that the site is updated as information becomes available, and because it is based upon a relational database, no matter how the information is pulled up, the latest is always available. It is probably a good idea to find a way to indicate when the data were updated.

As far as employers go, there is data analysis and research, a download capacity for LMI data elements including CPI, employment and wages, current employment statistics, among other items. In addition, employers can post jobs on AJB and make use of resume files in that system. The workforce informer application links to job listings on AJB, as described above. We agreed to look into facilitating the employers' linkage to the employer features of AJB directly from workforce informer.

### **Wrap Up/Closing Comments/Next Agenda**

The next meeting of the LMI Advisory Group is scheduled for **January 16, 2003**. A health care panel will be assembled to meet with the group and discuss training, recruitment and retention policies, practices and other related issues. In addition, we will ask for Legislative and State Board updates.



**Meeting Critique:**

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<p>New members added value Good meeting overall Good lunch at Viet Ha Good job keeping the group on track Excellent Discussions, especially on research Economic Update presentation was excellent—kudos to Janet Austin</p>	<p>More time needed for presenters Would like Richard Holden to participate all day No “in person” legislative update—missed Velessata Missed State Board update and participation in meeting—missed Bev</p>